

**RESULTS AND OPPORTUNITIES RELATIVE TO THE  
IDENTIFICATION AND ELIMINATION OF  
WASTE, ABUSE AND FRAUD WITHIN THE  
BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
JULY 2006**

<b>Department</b>	<b>Waste, Abuse and Fraud discovered and eliminated since November 2003</b>	<b>One-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
<b>ABC</b>	Selected new cellular phone service provider.		\$30,000	N/A
	Reclassified 40 peace officer positions to non-sworn Licensing Representatives.	\$1,200,000 in police academy and formal training costs	\$500,000 in salary and benefits	Increased motivation for Licensing Representative employees and increased job satisfaction for peace officers.
	Provided ABC forms on web page and reduced printing costs.		\$30,000	Better customer service.
	Revised penalty guidelines to permit a fine for 2 <sup>nd</sup> strike violations and eliminated need for administrative hearings		\$75,000	More timely resolution of accusations.
	Streamlined the protest process and reduced the need for administrative hearings		\$75,000	Elimination of needless hearings.
	Reengineered the accusation process and eliminated unnecessary reviews by Divisional staff		\$150,000	More efficient and more timely processing of accusations.
	Implemented "Fast Track" application process and reduced wait time to file applications from 60+ to 5 days or less, which enabled existing staff to process approximately 1000 additional applications.		\$300,000 in additional revenue	Less frustration for customers waiting to file applications and expedited handling of applications.
	Established an in-house training program for non-sworn staff and eliminated use of outside contractors.		\$50,000	More credible and effective training.
	<b>SUBTOTALS (since November 2003)</b>	<b>\$1,200,000</b>	<b>\$1,210,000</b>	

	<b>Present opportunities for elimination of Waste, Abuse and Fraud</b>	<b>Estimated one-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Estimated annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Anticipated non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
	N/A	N/A	N/A	N/A
	<b>SUBTOTALS (for present opportunities)</b>	<b>N/A</b>	<b>N/A</b>	
	<b>TOTALS FOR ABC</b>	<b>\$1,200,000</b>	<b>\$1,210,000</b>	
<b>Department</b>	<b>Waste, Abuse and Fraud discovered and eliminated since November 2003</b>	<b>One-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
<b>Caltrans</b>	Improved organizational structure and realized corresponding efficiencies, such as consolidating Caltrans Information Technology (IT) Division, reducing office leases in FY 2004/05 and 2005/06 and reducing cell phone usage; improved processes, such as establishing enterprise-wide Learning Management System; reduced non-core activities, such as reducing Leadership Training travel; and consolidated space.		\$50 million	
	Eliminated cloning of Voyager Cards (Gas Credit Cards).		Approximately \$500,000	
	Corrected errors, eliminated improper payments and reduced litigation through internal audits.	Approximately \$48 million between July 2003 and December 2005		Improved business process and practice.
	Reduced time in hiring Architectural and Engineering Contractors from 198 days to 60 days.		Undetermined	Ability to bring contractor expertise on board quickly and expedite project delivery.

	Secured a Budget Change Proposal (BCP) for Infrastructure Preservation and Inspection.	\$48.5 million cost avoidance (spread out over many years)	Undetermined	Preservation of California's investment in its highway system. Savings occur because roadway is prevented from deteriorating.
	Implemented a Financial Data to Oracle (FIDO) system to improve Caltrans financial reporting.		Undetermined	Improved business process, practice, and staff efficiency.
	Implemented the ResX online travel booking system (airline, hotel, car rental).		\$100,000 annual cost savings	Improved business process, practice, and staff efficiency.
	Used non-refundable airline tickets for travel.		\$100,000 annual cost savings	Improved business process, practice, and staff efficiency.
	Centralized Conference Section services in Caltrans.		\$200,000 annual cost savings	Improved business process.
	Implemented rebates from prompt payment of CalCard Visa payments.		\$65,000 annual cost savings	Improved business process, practice, and staff efficiency.
	Implemented and improved Caltrans Integrated Maintenance Management System (IMMS).		\$470,000 annual revenue increase	Improved business process, practice, and staff efficiency.
	Subrogated recovery for 3 <sup>rd</sup> party accidents resulting in employee work-related injuries.		Undetermined	Monetary savings; however, data not collected at this time.
	Deobligated Federal Funds from old projects and reinvested in new projects.			This effort resulted in approximately \$400 million being available to be reinvested in projects and improved cash management.
	Combined Purchasing and Service Contracts functions to provide single focal point for Caltrans customers.			Clearer communication to and from customers, quicker response time to contract managers and vendors.
	Promoted and implemented energy conservation measures and reduced electricity demand in all Department facilities.		Undetermined	Reduced electricity/gas consumption.
	Constructed new headquarters office buildings in Districts 7 (LEED Silver) and 11.		Undetermined	Reduced electricity/gas consumption due to more energy efficient building.
	Procured new furniture, which required verification that surplus furniture is not available.		Undetermined	Re-utilization of excess or used furniture.
	Exceeded, for 2005, the State mandate (AB 75) to meet a waste diversion goal of 50%.		Undetermined	Reduction of solid waste in landfill disposal sites.

	Utilized electronic forms and providing a centralized form database.		Undetermined	Web-based system that promotes efficiency for the user. Reduced paper consumption and hard-copied forms.
	Reduced salary advances.		Unknown	
	Identified Workers' Compensation Fraud.	Actual monetary recovery was \$51,240.		One employee was convicted in 2006 for workers' compensation fraud. Message to potential abusers of the workers' compensation system that the Department will not tolerate fraud and abuse. Implementation of an automated system for reporting employee injuries (automated SCIF 3067 reports).
	Completed, in April 2006 in the Material Distribution Branch, an exchange for rotting burlap bags (used for sand bags and erosion control), which had been in inventory approximately 8 years for smaller usable burlap bags at no cost to the State.	Inventory cost of rotting bags \$34,200  Value of new bags \$8,400  Net savings of \$8,400 since the entire \$34,200 would have been written off as unusable.		
	Procured Lodging Via Internet ( <i>prior proposed efficiency initiative</i> ).			Permit employees to use the Internet to procure lodging when traveling on State business has the potential for savings on travel costs. (Note: Approval was recently given by the Department of Personnel Administration and the State Controller's Office to allow this.)
	Improved processing of Cooperative Agreements.			
	<b>SUBTOTALS (since November 2003)</b>	<b>\$96,559,640</b>	<b>\$51,435,000</b>	

	<b>Present opportunities for elimination of Waste, Abuse and Fraud</b>	<b>Estimated one-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Estimated annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Anticipated non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
	Reduce Capital Outlay Support (COS) Costs in Construction Projects ( <i>prior proposed efficiency initiative</i> ).		TBD	Lowered costs from the current average of 38% of all construction project costs to an average of 32%, which will save hundreds of millions of dollars.
	File with the IRS for consideration to finance the design and installation of photovoltaic panels on various Department State-owned facilities, under the Clean Renewable Energy Bonds program, the Department filed		TBD	Reduced reliance on electricity from the utility companies. Reduced electricity consumption.
	Implement a Statewide implementation plan for a single energy contractor to conduct energy audits and install energy savings equipment at selected Department State-owned facilities.		TBD	Reduced reliance on electricity from the utility companies. Reduced electricity consumption.
	Automate contract-writing process.		TBD	Shorter time for contract analysts to process more contracts. Reduction of backlogs of contracts waiting to be processed.
	Explore Outside Construction Project Managers for Mega-Projects ( <i>prior proposed efficiency initiative</i> ).	TBD	TBD	Attainment of expertise from project managers outside State government for mega-projects; such projects often involve expertise that is not available in Caltrans. Caltrans still would maintain oversight responsibility to achieve the goal of timely completion of the projects within budget, while the outside project managers would be paid based on their expertise and performance.
	Implement an Integrated Financial Management System (IFMS) ( <i>prior proposed efficiency initiative</i> ).		\$2,206,183 effective 7/01/09 (3 PYs + OE&E) \$4,899,548 effective 7/01/10 (33 PYs)	Large number of efficiencies, all of which are contained in the IFMS FSR along with associated cost savings.

	Expand Electronic Fund Transfer (EFT) ( <i>Proposed</i> ).	TBD	TBD	Improved customer service through expansion of a better system of paying Caltrans vendors.
	Obtain Caltrans Non-Competitive Bids delegation ( <i>prior proposed efficiency initiative</i> ).	TBD	TBD	Achievement of greater efficiency and corresponding fiscal savings by obtaining delegation from Department of General Services regarding Caltrans Non-Competitive Bids to.
	Implement Property Control System Revision ( <i>prior proposed efficiency initiative</i> ).	TBD	TBD	Improved property control system that would likely involve converting to a bar code system. (Resources have not been provided towards this effort.)
	Consolidate Caltrans classifications ( <i>prior proposed efficiency initiative</i> ).	TBD	TBD	<p>Greater efficiency. Additional resources in the Division of Human Resources are needed to develop and implement the documentation necessary to abolish, replace, or collapse classifications, which may include:</p> <ul style="list-style-type: none"> <li>• Replacing the existing class with a comparable class used by all State departments.</li> <li>• Replacing the class with a closely aligned departmental class.</li> <li>• Collapsing two classes into a deep class.</li> <li>• Abolishing the class.</li> </ul>
	Automate State Application ( <i>prior proposed efficiency initiative</i> ).	TBD	TBD	Expedition of the application process and a more efficient method for applicants to file their applications. This item requires partnering with the State Personnel Board to automate the State Application and allow electronic filing. Potential savings include the costs of mailing, copying, and storage of applications.
	Automate Worker's Compensation Claim Filing ( <i>prior proposed efficiency initiative</i> ).	TBD	TBD	Expedition of the claim filing process, thereby ensuring quicker provision of benefits and avoiding costly penalties. This item requires partnering with the State Compensation Insurance Fund to automate Worker's Compensation Claim Filing.
	<b>SUBTOTALS (for present opportunities)</b>	<b>TBD</b>	<b>\$7,105,731</b>	
	<b>TOTALS FOR CALTRANS</b>	<b>\$96,559,640</b>	<b>\$58,540,731+</b>	

Department	Waste, Abuse and Fraud discovered and eliminated since November 2003	One-time savings resulting from elimination of Waste, Abuse and Fraud	Annual savings resulting from elimination of Waste, Abuse and Fraud	Non-monetary benefits resulting from elimination of Waste, Abuse and Fraud
DMV	Electronic Reporting of Insurance (SB1500): Effective January 1, 2006, insurance companies are required to report private passenger automobile liability policy information to the department electronically, thus reducing the opportunity for fraud.	Approximately \$19 million: Cost Avoidance for outsourcing implementation of SB1500 vs. using in-house resources to implement.		Increased compliance with CA Financial Responsibility requirements.
	Implemented online Car Tax Fee Calculator to allow the public to determine the amount of their decreased car tax for the 2003 car tax rollback.	\$1.6 million in administrative costs were saved.		Improved customer service for 2.6 million customers who were able to calculate their own tax refund.
	Established in the Intrastate Commercial Registration Program an Electronic Interface with State Compensation Insurance Fund, thereby replacing paper evidence of workers' compensation coverage.		Three PYs saved; Motor Vehicle Technicians no longer key State Compensation Insurance Fund insurance certificates into the Intrastate Commercial Registration database. A cost savings of \$150,000.	<ul style="list-style-type: none"> <li>• Timely, accurate reporting.</li> <li>• Reduction in cost of reporting for State Compensation Insurance Fund, aiding purchasers of coverage.</li> <li>• Improved confidentiality by eliminating transmission of hardcopy records.</li> <li>• Reduced opportunities for fraud through submission of fraudulent hardcopy documents.</li> </ul>
	Improved collection of revenue from states participating in Interstate Commercial Registration Plan.	\$366,712.74 in commercial vehicle registration fees.		Encourages greater compliance and cooperation with Intrastate Commercial Registration among jurisdictions.

	Expanded Business Partner Automation program to allow more non-DMV entities to process registration transactions on behalf of the department.	\$600,000	\$200,000	
	Established a zip code presort contract with a vendor to handle DMV overflow workload. This gave DMV a postage rate at less than .39 cent per item.		\$233,062 in postage savings	
	Collected and recycled surrendered License Plates.		\$158,000 revenue received from recycling plates.	
	Audited the Intrastate Commercial Registration area and uncovered incidents of abuse by the carriers and agents representing them in their annual filings.		Approximately 350 audits each year result in assessments and collections in excess of \$1 million annually.	Increased attention paid by the Motor Carrier Industry to its responsibility for accurate and timely reporting.
	Consolidated similar out-service training functions from throughout the Department and utilized bulk sourcing solutions to achieve more employee training for equal or less money than before.		During 05/06 FY, 2,462 more employees trained for the same amount of training dollars than in previous years for an approximate savings of \$221,870.	<ul style="list-style-type: none"> <li>More efficient expenditure of training dollars by centralizing the registration and payment of the most commonly requested out-service training, thereby resulting in more employees trained for training dollars spent.</li> </ul>



	Revised process for receipt of driver license records (now electronic, as opposed to hard copies) in Intrastate Commercial Registration Section.		Elimination of hardcopies reduces material costs of approx. \$50,000 per year.	<ul style="list-style-type: none"> <li>• Easier monitoring of driver records.</li> <li>• Improved security.</li> <li>• Timely, accurate reporting.</li> <li>• Elimination of 2-4 week delay in delivery to Intrastate Commercial Registration for manual sorting of Drivers License printouts by Employee Pull Notice staff.</li> <li>• Elimination of backlog of printouts through daily review of electronic Drivers License information by Intrastate Commercial Registration.</li> <li>• Improved service for customers.</li> <li>• Reduced costs for businesses attempting to comply with regulatory requirements related to employing commercial drivers.</li> </ul>
	Redesigned renewal application for the intrastate commercial registration permit from 5 pages to 2 pages.		<ul style="list-style-type: none"> <li>• Saving in postage of \$14,625 per year.</li> <li>• Paper usage savings unknown.</li> </ul> <p>Staff savings from fewer telephone calls requesting information unknown.</p>	<ul style="list-style-type: none"> <li>• Simplified process for motor carriers.</li> <li>• Reduced cost of compliance with motor carrier statutes, lowering operating costs for business.</li> </ul>

	Significantly reduced the timeframe for intrastate commercial vehicle owners to complete the application process and obtain motor carrier permits. Prior to July 2004, the process took approximately 2 to 3 weeks; as of September 2005, the process is taking 2 to 3 days.		\$50,000	<ul style="list-style-type: none"> <li>• Reduced telephone calls from public, allowing technicians to continue to process applications.</li> <li>• Reduced outgoing calls, which reduced long distance call costs, and allowed more time for technicians to process transactions.</li> <li>• Reduced mailing costs/cost of toner for fax-printer.</li> <li>• Reduced employee stress which improves attendance and quality of work.</li> <li>• Eliminated overtime costs.</li> <li>• Redirected staff to train and develop employees, which improved quality of work and reduced errors to make corrections.</li> <li>• Improves department's image/credibility with the public.</li> </ul> <p>Reduces Board of Control claims.</p>
	Collaborated with the California Highway Patrol, the Office of Traffic Safety and Department of Transportation to develop the Intrastate Commercial Web Page. Carriers must obtain certain permits, certifications, etc. to transport materials/property for compensation in California. Acquiring these permits requires customers to interact with multiple state agencies. The web page provides a central repository of information and services for the motor carrier industry on the DMV website. The page includes links to the other agencies with which the motor carriers must interact.		<ul style="list-style-type: none"> <li>• Paper usage savings unknown at this time.</li> <li>• Staff savings from fewer telephone calls requesting information unknown at this time.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduces referrals to other agencies for information.</li> <li>• Improves service for customers who can now access information from the Internet rather than calling multiple agencies to obtain motor carrier industry information and forms from a variety of state agencies.</li> <li>• Promotes use of online tools.</li> </ul> <p>Improves communications with other state agencies.</p>
	Established electronic capabilities with Auto Auctions to electronically submit Wholesale Report of Sales, eliminating hardcopy applications.		Reduced paper usage unknown at this time.	Timely, accurate reporting.

	Reduced backlog of change of address requests of 343,000 items with a 79-day turnaround to 4,000 items and a 2-day turnaround in updating change of address documents.			<ul style="list-style-type: none"> <li>Decreased number of customer contacts requiring staff to research status of request and prepare response from DMV.</li> </ul> Improved efficiency and customer service for the public, law enforcement and other agencies (e.g., Secretary of State) relying on the department's data.
	Notice of Release of Liability: Reduced backlog of over 1 million items with a 135-day turnaround to 38,000 items with a 2-day turnaround in updating Notice of Release of Liabilities. Reduced waste, backlog resulted in multiple submissions of Notice of Release of Liability by the customer to notify DMV of vehicles sales. Eliminated generation of billing waste and delinquent account notices to the wrong owner. Eliminated waste to cities and counties for notifying customers of unpaid parking tickets and eliminated waste to Franchise Tax Board for inappropriate collection letters and wage garnishment generated for vehicles they no longer own.			<ul style="list-style-type: none"> <li>Decreased number of customer contacts (Field Office visit, or Headquarters correspondence/phone calls).</li> </ul> Improved efficiency and customer service for the public, law enforcement and other agencies (e.g., Board of Equalization) relying on the department's data.
	Initiated the recycling of broken metal furniture and metal office accessories.			Freed up storage space. <ul style="list-style-type: none"> <li>Contribution to DMV recycling efforts.</li> </ul>
	Changed paper towel dispensers at DMV headquarters to reduce paper waste.		\$6,000	
	Redirected the Employer Testing Program to Occupational Licensing to eliminate waste in travel expenditures and increase oversight of program participants.		A savings of approximately \$30,000 to \$50,000 in travel funds resulted in redirecting the Employer Testing Program inspectors from Sacramento-based offices to strategically located offices throughout the State.	

	Implemented an Electronic Funds Transfer payment option in addition to the credit cards payment option for Internet customers renewing their vehicle registrations. The department does not pay any processing fees for these payments; there is only a small three cents per transaction fee paid by the State Treasurer's Office.		During the first two weeks of offering Electronic Funds Transfer, the department has collected over \$2.8 million in vehicle registration renewal fees through this payment alternative. This translates into an estimated savings in credit card processing fees of over \$48,000 during these two weeks. At the current rate, the annual savings will be close to \$1.25 million.	
	Revised process for salvage pool companies to submit applications to salvage vehicles (now electronic applications as opposed to hardcopy applications).			<ul style="list-style-type: none"><li>• Timely, accurate reporting. Savings realized by Salvage Companies due to decreased turnaround times is estimated to be approximately \$6 million.</li></ul>
	Replaced standard checks with laser printed checks; checks are used to process Revolving Fund and Headquarters refund checks.		\$6500	

	Expanded implementation of the sophisticated Queue technology allowing managers to readily adjust for customer service to 135 offices. Further success continues with this enhancement and the deployment of “IGNITE Teams” consisting of experienced managers who travel to field offices statewide sharing best practices and recognizing employees’ efforts.			DMV has sustained the improvement in customer service and continued the inertia in reducing wait times since 2003. For the most recent month, June 2006, 87% of the customers in 135 offices were served within 30 minutes or less. Wait times were reduced in the largest 91 DMV field offices from an average of nearly one hour, to an average of 21 minutes. In addition, these reductions occurred as a result of hiring and training 500 employees within three months, and implementing the above mentioned best practices and change management.
	Identified employee fraud related to the illegal issuance of Drivers License/ Identification cards by entering erroneous information into the DMV system including the verification of nonexistent documents and fictitious Social Security numbers. DMV computer modification has been made to block this combination of data.			Elimination of employees’ ability to manipulate the system in this manner to produce an identification that is illegally sold.
	Identified employee fraud related to the illegal issuance of Drivers License/Identification cards by loading into the system a fictitious record that then only required the “customer” to complete the transaction by having their photo taken in any DMV office.			Elimination of employees’ ability to manipulate the system in this manner.
	Identified employee fraud related to the selling of DMV data; specifically, Social Security Numbers. DMV computer modifications have been made so that the Social Security Number is only accessible to a very limited number of employees.			Elimination of employees’ ability to access the Social Security Number. Enactment of safeguards that limit employees’ access to the information, thus limiting their ability to illegally sell the information.
	Identified employee fraud related to identity theft where the employee illegally sold to their “customer” a “duplicate” Drivers License/Identification card record in the DMV database. The DMV system has been modified so that all customers must be visibly matched to the last photo on the record at the employees’ terminal. The employee identification number performing this match is entered into the audit system.			Elimination of employees’ ability to manipulate the process without creating an audit trail.

	<p>Took the following steps to prevent ID theft or fraud in the public sector because of the high vulnerability of confidential documents in outlying field offices:</p> <ul style="list-style-type: none"> <li>• Expanded shredding of sensitive documents.</li> <li>• Expanded contract services to shred and dispose of documents.</li> <li>• Posted signs to alert the public of the danger of disposing of confidential information in public locations.</li> <li>• Locked dumpsters to prevent theft of documents to be destroyed.</li> </ul> <p>Educated employees about confidential documents and their responsibilities to secure and destroy them properly.</p>			Reduction or elimination of fraud and or identity theft.
	Investigated and convicted employee for workers' compensation fraud in May 2004. He was sentenced to 5 years probation, 300 days in jail.	Employee was ordered to pay restitution in the amount of \$60,000 to the agency.		Deterrence of other employees from committing future workers' compensation abuse and fraud.
	Ceased display of Social Security Numbers on specific Drivers License/Identification card application screens. Once verified, SSNs are not displayed during any future transactions.			Prevention of the misuse of information and protection of the customer.
	Audited commercial and governmental requesters of information and identified individuals who abused their access to DMV data. Since November 2003, over 50 incidents of unauthorized data access or access with insufficient clearances have been documented.			Increased awareness of privacy and security issues within the department and increased compliance among the department's 13,000+ commercial information requesters.
	Provided to the DMV Investigations Division information regarding questionable transaction trends at field offices. This information, which is in the Driver License warehouse, comes from the department's Information Systems and Security Audits, and annually yields approximately 450 information leads resulting in identified fraud and arrests by the investigators.			Effective communication of the message of zero tolerance to the field office staff when the Investigations Division makes an arrest, even though Investigations does not report back through the Audits Office as to the number of fraud cases or the frequency with which fraud is actually determined to exist.
	Incorporated into revised procedures Audits Office recommendations for handling and storing cash within all Driver Safety Offices/Units.			Enhancement of the security of payments submitted to the department.

	Conducted an employee risk assessment that resulted in the review and revision of DMV manual procedures. The revision added managerial review processes, strengthened security and mitigated employee abuse.			Strengthened internal oversight by allowing management to diligently monitor workloads and guard against bottlenecks and/or backlogs.
	Implemented Image Retrieval at the Workstation in September 2005, thereby providing field office employees with the capability of retrieving and displaying the customer's photograph at their workstation.			Prevention of driver license fraud as part of the photo verification requirement.
	Took 43 disciplinary actions against employees for Driver License and Registration Fraud between 2003 and 2006.			<ul style="list-style-type: none"> <li>Improved public protection and DMV credibility.</li> </ul>
	Encrypted employees' Social Security Numbers on all attendance reports.			Reduction or prevention of possible Identification theft.
	Took fingerprints on employees or prospective employees filling sensitive positions.			Prevention of employees with criminal records from handling confidential or sensitive documents.
	<p>Closed 1215 commercial information requestor accounts for the following reasons:</p> <ul style="list-style-type: none"> <li>Security breach - 15</li> <li>Audit findings not satisfied -7</li> <li>Occupational License expired - 9</li> <li>Unable to contact - 22</li> <li>Non-Payment - 1162</li> </ul>			Reduction in the abuse of the system and its information.
	Issued a directive (memo) requiring all employees to protect confidential information by locking up and securing any documents or forms that are not currently in use.			Prevention of the possibility of document fraud and/or abuse of confidential information.
	Discovered janitor theft of confidential materials, thereby resulting in the janitor's termination, and the review of the department's janitorial contracts to ensure proper language regarding confidential documents. Also issued three Information Security Policies and a memo from the director reiterating security responsibilities.			Elimination or reduction in fraudulent use of confidential information.

	Revised procedures in the Intrastate Commercial Registration System to require a United States Department of Transportation number to validate carrier authority to operate interstate.			<ul style="list-style-type: none"> <li>Prevention of a carrier applying under multiple identities.</li> <li>Prevention of criminal activity through the use of carrier records to conceal illegal transit activity.</li> </ul> <p>Enhancement of national security related to the transportation of dangerous materials under false credentials.</p>
	Field Office wait time reduced by 50% from almost 1 hour in January 2004 to 25 minutes in May 2004.			<ul style="list-style-type: none"> <li>Increased percentage of customers served within 30 minutes, from 42% in January 2004 to 77% in September 2005.</li> </ul>
	<ul style="list-style-type: none"> <li>Reduced Telephone Service Center wait times from over 5 minutes in January 2004 to just over 2-1/2 minutes, and reduced busy signals from 9.5 million to 1.3 million.</li> </ul>			<ul style="list-style-type: none"> <li>Improved customer service.</li> </ul>
	Provided DMV technicians with ability to access driver license photos at their field office workstations.			<ul style="list-style-type: none"> <li>Protection of customer identity through visual verification.</li> </ul>
	<b>SUBTOTALS (since November 2003)</b>	<b>\$21,626,713</b>	<b>\$3,380,057</b>	
	<b>Present opportunities for elimination of Waste, Abuse and Fraud</b>	<b>Estimated one-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Estimated annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Anticipated non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
	Implemented an automated insurance reporting interface, allowing more timely and accurate tracking of issuance data.		<ul style="list-style-type: none"> <li>3 PYs over the next 4 years.</li> <li>Estimated 60% of insurers will use electronic filing.</li> </ul> <p>Annual savings of \$150,000.</p>	<ul style="list-style-type: none"> <li>Reduced costs for insurers who participate.</li> <li>Improved service for customers of participating insurers.</li> <li>Promotes electronic filings in other areas of DMV.</li> </ul> <p>Reduced cost to business in complying with motor carrier requirements.</p>



	Institute new E-Mail Alert Service, available to industry partners, banks, lending institutions, and law enforcement, thereby replacing paper distribution of industry memos and revisions to industry handbooks.		Savings are projected at \$178,000 annually.	Provision of quick, easy access to the most current information for industry partners to conduct their DMV business.
	Conducted a cost analysis of the business license renewal process, indicating that the cost to the State to renew licenses annually had doubled since the fee was established.		A \$47,000 savings in production time will be realized beginning in December 2006. This savings will be redirected to address production backlogs in other areas.	
	Eliminate mailing IRP Customer Handbook w/renewals of Intrastate Commercial Registration.		Average annual savings is approximately \$68,580.	Promotion of use of online tools and private sector resources that already are available.
	Replace the Intrastate Commercial Registration System to allow: <ul style="list-style-type: none"> <li>• Online access.</li> <li>• Performance Registration Information Systems Management (safety-related carrier suspensions).</li> </ul> Improved disbursement of revenue.			<ul style="list-style-type: none"> <li>• Faster turnaround time to complete registrations.</li> <li>• Improved customer relations.</li> <li>• Elimination of paper transmittals.</li> </ul> Online customer interface promotes greater use of other automated DMV transactions methods.
	Participate in Intrastate Commercial Registration Clearinghouse, an electronic program for exchange of revenue between Intrastate Commercial Registration jurisdictions.		Revenue increase from improved monitoring of California collections by other states.	<ul style="list-style-type: none"> <li>• Improved audit capability.</li> </ul> Streamlined accounting for collections and accounting.

	Implemented a pilot project to allow Registration Services to issue Intrastate Commercial Registration products, such as registration stickers and license plates, to interstate trucks, thereby allowing those trucks to get on the road sooner and keep goods moving across the State. Six companies currently are participating in the pilot.			Diversion of more than 7000 transactions from traditional DMV field offices between May 2004 and June 2006. Participants accepted payments and provided indicia for 7,304 applications, thereby eliminating their field office appointments, with an estimated 700 hours (or 350 appointments) available for field offices to redirect for other field office transactions.
	Allow online renewal for Intrastate Commercial Registration.		Unknown; still in conceptual phase.	Reduction in postage costs and time for carriers.
	Continuation of Bulk Source Training		As process is continually fine-tuned and streamlined, previous year's efficiencies should be met or exceeded.	
	Use of the departments Virtual Private Network by employers to receive copies of driving records for the 64,000 drivers enrolled in the Employer Pull Notice Program. The employers will no longer receive hardcopy driver record printouts.			Improved service to employers enrolled in program.
	Continue electronic reporting of insurance: effective January 1, 2006, insurance companies are required to report private passenger automobile liability policy information to the department electronically, thus reducing the opportunity for fraud.			Increased compliance with California Financial Responsibility requirements.
	Changed Intrastate Commercial Registration Lien Process – to prevent processing of any transactions until audit assessment has been satisfied.			<ul style="list-style-type: none"> <li>• Improved collection enforcement.</li> <li>• Greater audit efficiency – faster collection on audit findings.</li> </ul>
	Continue to collaborate with State Compensation Insurance Fund to assist in identifying and investigating potential abuse of the workers' compensation system.	Unable to identify future savings.	Unable to estimate annual savings.	Investigation and prosecution of workers' compensation abuse and fraud.

	Completion of DMV investigation of 13 motor carriers for mileage fraud.	Presently being determined by the Investigations Division – likely significant.		<ul style="list-style-type: none"> <li>Deterrent to other potential fraudulent activity through visible enforcement.</li> <li>Promotion of greater vigilance by honest agents and encouragement of self-regulation by industry.</li> </ul>
	<b>SUBTOTALS (for present opportunities)</b>	<b>TBD</b>	<b>\$443,580</b>	
	<b>TOTALS FOR DMV</b>	<b>\$21,626,713</b>	<b>\$3,823,637+</b>	
<b>Department</b>	<b>Waste, Abuse and Fraud discovered and eliminated since November 2003</b>	<b>One-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
<b>CHP</b>	Reinstituted Workers' Compensation Fraud Unit and implemented 16 recommendations.	2004/05 savings of 4.3% (from \$67,804,243 to \$64,889,958 – savings of \$2,914,285 million)	Continued target of an approximate 4% decline in workers' compensation costs, equating to approximately \$2.8 million)	<ul style="list-style-type: none"> <li>Retention of personnel.</li> <li>Reduction in injuries.</li> <li>Employee awareness of scrutiny placed on workers' compensation claims.</li> <li>Increased public confidence.</li> <li>Increased accountability over case management.</li> </ul>
	Developed multi-year Strategic Plan.	N/A		<ul style="list-style-type: none"> <li>Performance based management focusing on increased enforcement of primary collision factors.</li> <li>Increase in lives saved.</li> </ul>
	Established ARMS – Automated Resource Management System.	N/A	Efficiency results in money being returned at the end of the year.	<ul style="list-style-type: none"> <li>Performance based budgeting system.</li> <li>Increased accountability and efficiency statewide.</li> </ul>
	Efficiently managed 2003/04 FY Budget.	Reverted \$20,599,521.10	N/A	Achievement of Performance Improvement Initiatives - increased efficiency in fiscal management, more timely accounting.
	Efficiently managed 2004/05 FY Budget.	Reverted \$11,967,639.53	N/A	Achievement of Performance Improvement Initiatives - increased efficiency in fiscal management, more timely accounting.

	Efficiently managed 2005/06 FY Budget.	Will revert an approximate \$27.5 million.	N/A	Achievement of Performance Improvement Initiatives - increased efficiency in fiscal management, more timely accounting.
	Utilized single communications provider for cell phone and pagers.	N/A	\$42,000	Increased communications capability by removing pagers from the field to utilize a single communications provider.
	Achieved radio interoperability.	N/A	N/A	<ul style="list-style-type: none"> <li>Increased officer and public safety.</li> <li>Increased emergency notification and response.</li> <li>More efficient communications.</li> </ul>
	Trained officers in-house.	N/A	N/A	<ul style="list-style-type: none"> <li>Enhancement of accountability.</li> <li>Direct control over subject matter while meeting statewide standards.</li> </ul>
	Improved controls over office supplies.	N/A	\$1.4 million	Better inventory control and utilization of updated technology and automation.
	Revised radio maintenance policy.	N/A	N/A	<ul style="list-style-type: none"> <li>Reduction in having to contract out for maintenance.</li> <li>Decrease in response times.</li> <li>Greater efficiency.</li> </ul>
	Revised fleet maintenance policy.	Over \$1.4 million	N/A	Greater efficiency in fleet management through in-house equipping.
	<b>SUBTOTALS (since November 2003)</b>	<b>\$64,381,446</b>	<b>\$4,242,000</b>	
	<b>Present opportunities for elimination of Waste, Abuse and Fraud</b>	<b>Estimated one-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Estimated annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Anticipated non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
	Effectively continue Traffic Safety Programs.  The following programs are designed to reduce traffic fatalities on California roadways.			<ul style="list-style-type: none"> <li>Decrease in fatalities.</li> <li>Reduction in economic loss; according to NHTSA, each traffic fatality results in a \$3.2 million economic loss</li> <li>Reduction in collisions, thereby reducing congestion and improving mobility and economic vitality.</li> </ul>

	Continue STAR Program.			<ul style="list-style-type: none"> <li>• Increased uniformed presence on road during peak holiday times with focus on DUI, occupant restraint, and speed.</li> <li>• Increased enforcement contacts.</li> <li>• Decreased fatalities; 15 fewer deaths in CHP jurisdiction during last two STAR periods compared to same period in 2005, thereby equating to approximately \$52.5 million in economic savings.</li> <li>• Reduced congestion due to increased presence.</li> <li>• Enhanced movement of goods on highway system.</li> </ul>
	Increase the number of trained child passenger safety technicians.			<ul style="list-style-type: none"> <li>• Increase in children's lives saved.</li> <li>• Training of more than 400 technicians for child passenger safety.</li> </ul>
	Continue Start Smart Teenage Driver Safety Program.			<ul style="list-style-type: none"> <li>• Increase in number of educated teen drivers.</li> <li>• Facilitation of 38 Start Smart classes educating more than 400 teen drivers.</li> </ul>
	Continue to focus on occupant restraint compliance.			<ul style="list-style-type: none"> <li>• Increased compliance with occupant restraint law. Nationwide goal was 90% compliance – CHP achieved 92.5% in 2005.</li> </ul>
	Continue Corridor Safety Programs.			<ul style="list-style-type: none"> <li>• Increased public presence.</li> <li>• Positive publicity and decreased fatalities.</li> <li>• Roadway improvements.</li> <li>• Enhanced community involvement.</li> <li>• Greater awareness of traffic safety and enforcement.</li> </ul>

	Continue Commercial Motor Vehicle Inspection Program.			<ul style="list-style-type: none"> <li>• Safer commercial vehicles on roadways. Any collision involving a commercial vehicle is more likely to involve an injury or a fatality.</li> <li>• More than 600,000 on-highway inspections annually (25% of total commercial vehicle inspections nationwide).</li> <li>• Weighs of over 1.3 million trucks. Out-of-service rates are 3% of drivers and 21% of vehicles.</li> </ul>
	Continue to focus on reducing DUI fatalities.			<ul style="list-style-type: none"> <li>• Increase in lives saved.</li> <li>• Increased arrests (87,000 in 2004).</li> <li>• Decreased DUI collisions (1,334 to 1,274, 4% drop).</li> </ul>
	<b>SUBTOTALS (for present opportunities)</b>	<b>N/A</b>	<b>N/A</b>	
	<b>TOTALS FOR CHP</b>	<b>\$64,381,446</b>	<b>\$4,242,000</b>	
<b>Department</b>	<b>Waste, Abuse and Fraud discovered and eliminated since November 2003</b>	<b>One-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
<b>DFI</b>	Converted Annual Report from hard copy to CD-ROM.		\$30,000	
	Changed Monthly Bulletin from printed and mailed format to e-mail format distributed by a list service.		\$19,000	
	Changed from a printed Banking Law to a CD-ROM format.		\$15,000	
	Provided forms and brochures online instead of printed format.		\$9,000	
	Provided Employee Administrative/Policy & Procedures Manuals in CD-ROM format instead of printed copies.		\$2,000	
	Centralized Administrative and Human Resource Services.		\$40,000	
	Maximized the use of Teleconference Executive Committee meetings rather than in-person.		\$20,000	
	<b>SUBTOTALS (since November 2003)</b>	<b>N/A</b>	<b>\$135,000</b>	

	<b>Present opportunities for elimination of Waste, Abuse and Fraud</b>	<b>Estimated one-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Estimated annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Anticipated non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
	Streamline the system for employee time reporting and management reporting that will allow better tracking of types of staff work for planning purposes, thereby providing for better performance and more accurate accounting.		In preliminary analysis stage, estimated savings at this time is \$50,000 to \$100,000 annually.	
	Further consolidate and centralize Department staff to realize increased efficiency in operations.		In preliminary analysis stage, estimated savings at this time is \$50,000 to \$100,000 annually.	
	<b>SUBTOTALS (for present opportunities)</b>	<b>N/A</b>	<b>\$150,000</b>	
	<b>TOTALS FOR DFI</b>	<b>N/A</b>	<b>\$285,000</b>	
<b>Department</b>	<b>Waste, Abuse and Fraud discovered and eliminated since November 2003</b>	<b>One-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
<b>DOC</b>	Switched cell phone service to more economical rate plans beginning FY 2005-06.		\$20,000	Promotion of efficiency within the Department, which ultimately saves taxpayers money.
	Downsized the San Francisco and Los Angeles offices to reduce rent costs beginning FY 2005-06.		50,000	Promotion of efficiency within the Department, which ultimately saves taxpayers money.

	Implemented performance improvements to reduce backlog for processing applications and other documents related to license and enforcement activities.		50,000 Once the backlog is eliminated, an annual potential savings in temporary help and overtime costs.	Promotion of efficiency within the Department, which will enable California businesses to obtain their license and begin operations within a timely manner.
	Expanded California businesses' ability to submit renewal documents and payments online.		60,000	Provision to California businesses better means by which to meet California's regulatory requirements in an efficient and timely manner.
	<b>SUBTOTALS (since November 2003)</b>	<b>N/A</b>	<b>\$180,000</b>	
	<b>Present opportunities for elimination of Waste, Abuse and Fraud</b>	<b>Estimated one-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Estimated annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Anticipated non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
	N/A	N/A	N/A	N/A
	<b>SUBTOTALS (for present opportunities)</b>	<b>N/A</b>	<b>N/A</b>	
	<b>TOTALS FOR DOC</b>	<b>N/A</b>	<b>\$180,000</b>	
<b>Department</b>	<b>Waste, Abuse and Fraud discovered and eliminated since November 2003</b>	<b>One-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
<b>OTS</b>	Discontinued filing of remittances advices and equipment reports.		\$1,053	
	Eliminated manual filing of "green" copies of correspondences.		\$1,123	
	Developed an electronic filing system, eliminating the need to print distribute and file documents.		\$1,200	
	Discarded three tons of paperwork no longer requiring retention.			Eliminated the need for additional office and/or storage space.



	Established a database tracking system for grantee equipment purchases and standardized electronic filing system.		\$6,353	
	Developed and implemented an electronic travel request and approval procedure.		\$1,066	
	Streamlined interoffice mail and messenger services.		\$18,880	
	Transferred responsibility for grantee budget page preparation to fiscal unit.		\$4,075	
	<b>SUBTOTALS (since November 2003)</b>	<b>N/A</b>	<b>\$33,750</b>	
	<b>Present opportunities for elimination of Waste, Abuse and Fraud</b>	<b>Estimated one-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Estimated annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Anticipated non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
	Created “Grants Made Easy”, a new streamlined grant application for local law enforcement agencies.		\$12,000	<ul style="list-style-type: none"> <li>Streamlined reporting requirements.</li> <li>Reduction in number of days required to process new grants.</li> </ul>
	Develop Online Grant Application and Reporting System. Grantees would not only apply online but would also submit claims and performance reports online. Data submitted would be downloaded into a relational database for real-time analysis.			<ul style="list-style-type: none"> <li>Improved and enhanced customer service.</li> <li>Improved internal work flow management.</li> <li>Elimination of many redundant processes.</li> <li>Significant reduction in amount of paper generated from copying; corresponding reduction in file space required.</li> </ul>
	<b>SUBTOTALS (for present opportunities)</b>	<b>N/A</b>	<b>\$12,000</b>	
	<b>TOTALS FOR OTS</b>	<b>N/A</b>	<b>\$45,750</b>	

Department	Waste, Abuse and Fraud discovered and eliminated since November 2003	One-time savings resulting from elimination of Waste, Abuse and Fraud	Annual savings resulting from elimination of Waste, Abuse and Fraud	Non-monetary benefits resulting from elimination of Waste, Abuse and Fraud
<b>DRE</b>	Expanded online Licensing service offerings (which is more cost effective than adding more Licensing staff).		Offset costs of approximately \$900,000 (30.5 positions based upon a volume of 376,000 online transactions).	
	Decreased the real estate license processing timeframe from 175 days to 80 days.			Reduction in processing time by 54%, thereby providing employment opportunities 95 days faster.
	<b>SUBTOTALS (since November 2003)</b>	<b>N/A</b>	<b>\$900,000</b>	
	<b>Present opportunities for elimination of Waste, Abuse and Fraud</b>	<b>Estimated one-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Estimated annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Anticipated non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
	Plan to reduce the average processing timeframe for Enforcement actions investigations by 111 days.			Increased consumer protection. The reduction of turnaround time of the disciplinary process is necessary for consumer protection because the real estate broker or salesperson that committed the wrongful acts remains fully licensed during the investigation, audit and hearing. The longer the case takes to audit, investigate, and adjudicate, the longer an unscrupulous agent has to defraud the public. Because of the complexity of real estate related investigations, and the process that must be followed to ensure that the constitutional rights of real estate licensees are honored, the disciplinary process is time consuming.

	Plan to achieve a 25% reduction in the processing of complex Subdivision applications (Timeshares, as well as Tenancy-in-Common projects, Condo-Hotel projects, Continuing Care subdivisions and Mixed-Use subdivisions that have commercial and residential components in one or more structures) and issuing the public report.			Increased protection of buyers of subdivision interests by: (1) requiring disclosure of material facts, and (2) ensuring adherence to applicable standards for creating, operating, financing, and documenting the project. A copy of the public report must be provided to any prospective purchaser by the subdivider prior to the execution of a binding purchase contract for any lot or unit in the project. It is critical to the industry that all applications for a public report be processed timely as the carrying costs incurred by subdividers for each day their projects cannot be offered/marketed can be substantial.
	<b>SUBTOTALS (for present opportunities)</b>	<b>N/A</b>	<b>N/A</b>	
	<b>TOTALS FOR DRE</b>	<b>N/A</b>	<b>\$900,000</b>	
<b>Department</b>	<b>Waste, Abuse and Fraud discovered and eliminated since November 2003</b>	<b>One-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
<b>HCD</b>	Eliminated uncoordinated purchasing through using Strategic Sourcing.		\$31,000 per year savings in IT purchasing	
	Eliminated excess paper reporting by preparing Housing Policy 400-page annual Redevelopment Report in CD-ROM format.		\$15,000	More widely distributed report with more timely distribution.
	Eliminated excess paper application process in Division of Financial Assistance by issuing NOFAs and grant proposal packages electronically.		\$50,000	<ul style="list-style-type: none"> <li>• More timely and wider distribution.</li> <li>• Greater participation - more cities, counties and stakeholders.</li> </ul>
	Eliminated unnecessary offsite office space for CDBG program by moving CDBG into head office.		Rent savings of \$27,000	Easier supervision and better teamwork and cross-training
	Replaced underutilized offsite (Fresno) mobile home registration and titling office with a mobile office facility.		\$36,000	Provision of service to a much larger customer base as mobile office is available throughout the Central Valley.
	<b>SUBTOTALS (since November 2003)</b>	<b>N/A</b>	<b>\$159,000</b>	

	<b>Present opportunities for elimination of Waste, Abuse and Fraud</b>	<b>Estimated one-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Estimated annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Anticipated non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
	N/A	N/A	N/A	N/A
	<b>SUBTOTALS (for present opportunities)</b>	<b>N/A</b>	<b>N/A</b>	
	<b>TOTALS FOR HCD</b>	<b>N/A</b>	<b>\$159,000</b>	
<b>Department</b>	<b>Waste, Abuse and Fraud discovered and eliminated since November 2003</b>	<b>One-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
<b>Film Commission</b>	Terminated color copier service contract.		\$4,162	
	Reduced cell phone plan for Director and Deputy Director.		\$180	
	Terminated Xerox copier service contract.		\$1,212	
	Sent e-mail invitations in lieu of printed ones for various screenings and other CFC events.		\$2000	
	<b>SUBTOTALS (since November 2003)</b>	<b>N/A</b>	<b>\$7554</b>	
	<b>Present opportunities for elimination of Waste, Abuse and Fraud</b>	<b>Estimated one-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Estimated annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Anticipated non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
	N/A	N/A	N/A	N/A
	<b>SUBTOTALS (for present opportunities)</b>	<b>N/A</b>	<b>N/A</b>	
	<b>TOTALS FOR FILM COMMISSION</b>	<b>N/A</b>	<b>\$7554</b>	

Department	Waste, Abuse and Fraud discovered and eliminated since November 2003	One-time savings resulting from elimination of Waste, Abuse and Fraud	Annual savings resulting from elimination of Waste, Abuse and Fraud	Non-monetary benefits resulting from elimination of Waste, Abuse and Fraud
<b>OREA</b>	Eliminated hardcopy OREA newsletter and prepared online version only.		\$14,000 (if newsletter is prepared twice each year)	Elimination of staff time spent on formatting and proofing newsletter for printing.
	Delayed submission of fingerprint cards for background clearance until all other applicant qualifications are verified.	\$18,000 cost saving first year of implementation	\$9,000 to \$11,000 (based on initial applicant volume)	Elimination of staff time spent administering fingerprint program for individuals who do not submit requests for license issuance.
	<b>SUBTOTALS (since November 2003)</b>	<b>\$18,000</b>	<b>\$24,000</b>	
	<b>Present opportunities for elimination of Waste, Abuse and Fraud</b>	<b>Estimated one-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Estimated annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Anticipated non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
	N/A	N/A	N/A	N/A
	<b>SUBTOTALS (for present opportunities)</b>	<b>N/A</b>	<b>N/A</b>	
	<b>TOTALS FOR OREA</b>	<b>\$18,000</b>	<b>\$24,000</b>	

Department	Waste, Abuse and Fraud discovered and eliminated since November 2003	One-time savings resulting from elimination of Waste, Abuse and Fraud	Annual savings resulting from elimination of Waste, Abuse and Fraud	Non-monetary benefits resulting from elimination of Waste, Abuse and Fraud
<b>DMHC</b>	Fined health plans for violations of the Knox-Keene Act.	More than \$1.5 million in 2005 and \$723,000 in 2004.  Two of the more significant cases were a \$200,000 fine to Kaiser for exposing patient information via its website and \$250,000 to HealthNet for the systemic underpayment of provider claims.	\$800,000	Increased consumer confidence and the deterrence of bad health plan practices.
	Developed new electronic filing system that allows for faster and more efficient filing of health plan documents.			More efficient system for both DMHC and the health plans through the more efficient use of available staff resources.
	Revised the training program for electronic filing submission of licensing documents by plans, and conducted training programs for existing and potential licensees.			<ul style="list-style-type: none"> <li>• Greater efficiencies in DMHC and health plans.</li> <li>• Greater filing accuracy through updated and available training.</li> </ul>
	Performed Medical Loss Ratio Reviews on behalf of MRMIB per new inter-agency agreement.	Completed 6 reviews during 1/1/2006 through 6/30/06, resulting in a savings of \$195,000 for MRMIB. (Not counted in total; explanation only.)	13 reviews annually will result in a savings of \$422,500 for MRMIB.	Greater public confidence in state services.

	Established a Provider Complaint Unit (PCU) to help resolve payment disputes between health plans and providers.			<ul style="list-style-type: none"> <li>• Additional payments to providers. Since it began in late 2004, the PCU has received more than 3,738 complaints and recovered nearly \$585,895 in additional payments.</li> <li>• Level playing field between the health plans and individual providers.</li> <li>• Ability of providers to concentrate on the delivery of services rather than on reimbursement for services rendered.</li> </ul>
	Eliminated the Managed Health Care Advisory Committee and Clinic Advisory Panel.	\$37,000		More efficient use of available staff resources.
	Aggressively acted on behalf of consumers to stop the operation of fraudulent discount health card companies.			<ul style="list-style-type: none"> <li>• Greater consumer protection and education regarding the product they are buying and whether or not there are any true benefits.</li> <li>• Protection of consumer dollars by discouraging applications to fraudulent plans.</li> <li>• Annual savings of (an estimated) thousands of consumer dollars by preventing the availability of fraudulent cards, and by not having to sue the companies to get consumer dollars back.</li> <li>• Increased oversight. Since 2004, the DMHC Enforcement Division has opened more than 40 investigations into discount health card entities, issuing seven cease and desist orders and taking other action where necessary.</li> </ul>
	Simplified the Public Records Act request process by making documents available on the Department's website, thereby eliminating the need for a request; allowed the public to request certain other records through the website.			<ul style="list-style-type: none"> <li>• Easier, faster access for the public to review and request public records.</li> <li>• Savings in time to the requester.</li> <li>• Savings in time for state employees responding to requests, thereby allowing the staff to focus on other important workload.</li> </ul>

	Streamlined the regulatory process by posting on the Department's website, regulations and policies that the Department is considering working on in the future, and began conducting informal meetings with stakeholders prior to the formal rulemaking process.			Decrease in the time spent responding to comments through the formal rulemaking process. The new process allows Department to receive needed information prior to the rulemaking process, and saves time previously spent addressing multiple changes to proposed regulations.
	Implemented a "Post Examination Survey" for the health plans' CEO/CFO to complete, in which they can provide feedback on the examination process.		Potential savings may be realized from valid process adjustments resulting from solicited health plan feedback.	Improved examination process as feedback from plan management can ensure examination process is thorough, effective, efficient, and provides value to the health plans.
	Encrypted all Managed Health Care and Office of the Patient Advocate laptops.			<ul style="list-style-type: none"> <li>• Increased privacy and confidentiality of sensitive information on laptops.</li> <li>• Maintenance of public trust.</li> <li>• Avoidance of costs associated with data asset integrity confirmation and staff time required to rebuild lost data.</li> <li>• Avoidance of liability.</li> </ul>
	Mitigated all Critical and High vulnerabilities in the DMHC network environment identified by the Dept. of Technology Services vulnerability Assessment.			<ul style="list-style-type: none"> <li>• Improved network security.</li> <li>• Maintenance of public trust.</li> <li>• Avoidance of costs associated with data asset integrity confirmation and staff time required to rebuild lost data.</li> <li>• Avoidance of liability.</li> </ul>
	Implemented two-factor authentication for remote access users.			<ul style="list-style-type: none"> <li>• Improved network security.</li> <li>• Maintenance of public trust.</li> <li>• Avoidance of costs associated with data asset integrity confirmation and staff time required to rebuild lost data.</li> <li>• Avoidance of liability.</li> </ul>
	Implemented improvements within the Licensing Division that will reduce from one year to six months the average time it takes to license a new health plan applicant.			<ul style="list-style-type: none"> <li>• Ability to bring health plan products to the market more quickly.</li> <li>• More efficient use of available staff resources.</li> </ul>



	Revamped and revised the automation of Risk-bearing Organization's financial data collection and corrective action processes to monitor provider group solvency. In 2005, ten training sessions throughout the State were given to providers on the new web-based financial filing application process.			<ul style="list-style-type: none"> <li>• Ability to identify emerging financial solvency issues and apply corrective actions timely.</li> <li>• Increased ability of the State to protect the consumer.</li> </ul>
	Implemented a new telephone feature on the 1-800 consumer help line which automatically redirects overflow calls initially sent to the External Call Center, back to Help Center Agents, as State staff subsequently become available.			<ul style="list-style-type: none"> <li>• Ability to connect consumers with most knowledgeable staff to assist with grievance and other health plan service concerns.</li> <li>• More efficient use of available staff resources, and reduced reliance on external call center agents.</li> </ul>
	Initiated a redesign of the public website to make it easier for the public to navigate and find important consumer information; collaborated with UC Berkeley on the DMHC health literacy initiative to ensure that information provided to consumers is readily understood, consumer-friendly, factually correct, and legally accurate.(The new website is due to launch in July of 2006).		Ongoing efficiencies anticipated as consumers and other stakeholders "self-serve" through the many online applications available.	Greater and more efficient service access afforded the public, thereby increasing public confidence in state services.
	Worked with seven health plans and the California Association of Health Plans to secure a \$30 million, three-year commitment to implement obesity prevention strategies for HMO enrollees. Commitment was presented at the Governor's Summit on Health, Nutrition and Obesity.			Additional services provided to HMO consumers in support of the Governor's anti-obesity awareness effort.
	Established with the Department of Health Services (DHS) a Joint Work Group with the following accomplishments: Formed a sub-group to improve the licensure and financial filings from Medi-Cal Managed Care. Identified gaps, overlaps and opportunities for integration through a review and analysis of licensing, financial and medical survey data and processes. Developed a work plan to manage process changes and enhance integration.			Greater interaction among programs in different departments, thereby reducing bureaucracy and increasing communications and service efficiencies to stakeholders. More efficient use of available staff resources by addressing common issues cooperatively.

	Established Joint Medical Surveys between DMHC and DHS (Medi-Cal Managed Care and Audit and Investigation Units). The survey activity is supported by regular quarterly meetings between the two departments; the meetings are centered on information sharing regarding regulation changes, report templates and survey schedules.			Greater interaction among programs in different departments, thereby reducing bureaucracy and increasing communications and service efficiencies to stakeholders. More efficient use of available staff resources by addressing common issues cooperatively.
	Organized the Licensing Division counsels into functional teams so that all health plans now have specific staff assigned; established a single point of contact for inquiries and issues.			Provision of knowledgeable points of contact for health plans, thereby improving response time and accountability. More efficient use of available staff.
	Processing a new Memorandum of Understanding (MOU) that will support sharing financial information between DMHC and DHS. This MOU will allow better coordination of functions of both departments. Also established a Joint Filing Work Group that will continue to ensure new Medi-Cal/KKA license candidates filings are handled in a consistent manner between the two departments.			Greater interaction among programs in different departments, thereby reducing bureaucracy and increasing communications and service efficiencies to stakeholders. More efficient use of available staff resources by addressing common issues cooperatively.
	Developed collaborative strategies with health plans to efficiently license health plans which provide services to Medi-Cal enrollees, or commercial enrollees, in connection with the quality improvement fee (QIF) program implemented by the Department of Health Services.			Greater interaction among programs in different departments, thereby reducing bureaucracy and increasing communications and service efficiencies to stakeholders. More efficient use of available staff resources by addressing common issues cooperatively.
	Revised HMO Help Center consumer letter templates to meet suggested "health literacy guidelines" so that enrollees are able to easily understand them.			<ul style="list-style-type: none"> <li>• Improved consumer access to information resulting in increased consumer confidence in the state.</li> <li>• More efficient use of available staff resources.</li> </ul>
	Ensured that significant product changes made by Medicare supplement issuers to implement the new Medicare prescription drug program were in compliance with the law.			<ul style="list-style-type: none"> <li>• Increased consumer confidence in state services.</li> <li>• More efficient use of available staff resources.</li> </ul>
	Provided Help Center staff with extensive training on Medicare Supplement issues through a collaborative relationship with the Center for Medicare and Medicaid Services.			<ul style="list-style-type: none"> <li>• Increased consumer confidence in state services.</li> <li>• Ongoing efficiencies realized by providing knowledgeable staff to address consumer concerns.</li> </ul>

	Developed three new Technical Assistance Guides (TAG) to ensure consistency in filing review; will assist health plans in understanding the Act and preparing documents for submission. These TAGs are for Evidence of Coverage (EOC) filings, Provider Contract filings and Government plan EOC filings			<ul style="list-style-type: none"> <li>Increased process efficiencies, reduced error rate, improved processing time all resulting in increased stakeholder confidence and availability of services to health plan consumers.</li> <li>Ongoing efficiencies realized by both the department and health plans due to clarity of information and documentation requirements.</li> </ul>
	Updated existing Technical Assistance Guides on the expectations and requirements of medical and financial examinations. Providing this information allows the Plans to prepare for the “transparent requirements” of the examination process.			<ul style="list-style-type: none"> <li>Increased process efficiencies, reduced error rate, improved processing time all resulting in increased stakeholder confidence and availability of services to health plan consumers.</li> <li>Ongoing efficiencies realized by both the department and health plans due to clarity of information and documentation requirements.</li> </ul>
	<p>Sponsored educational efforts to develop staff into “health policy experts” and to promote leadership and policy expertise throughout DMHC. Efforts included:</p> <ul style="list-style-type: none"> <li>Nine-week series of classes on the Knox-Keene Act.</li> <li>Master Policy Analysis seminar.</li> <li>Presentation on “diabetesity” by Dr. Francine Kaufman.</li> <li>Presentation on California's individual market by Susan Marquis, Ph.D., Senior Economist at RAND.</li> <li>HIPPA</li> <li>Medicare Parts A &amp; D</li> </ul> <p>Employer Perspective on Healthcare</p>			<ul style="list-style-type: none"> <li>Increased consumer confidence in state services.</li> <li>Ongoing efficiencies realized by providing knowledgeable staff to address consumer concerns.</li> </ul>
	Developed a new web-based, block-transfer database to provide DMHC with enhanced reporting capability on block-transfer filings. When contracts end between plans and provider groups, this database is important to help ease the transition of enrollees to a new primary care physician or health care facility.			<ul style="list-style-type: none"> <li>Increased consumer confidence in state services.</li> <li>Ongoing efficiencies realized by providing knowledgeable staff to address consumer concerns.</li> </ul>
	<b>SUBTOTALS (since November 2003)</b>	<b>\$2,260,000</b>	<b>\$1,222,500</b>	

	<b>Present opportunities for elimination of Waste, Abuse and Fraud</b>	<b>Estimated one-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Estimated annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Anticipated non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
	N/A	N/A	N/A	N/A
	<b>SUBTOTALS (for present opportunities)</b>	<b>N/A</b>	<b>N/A</b>	
	<b>TOTALS FOR DMHC</b>	<b>\$2,260,000</b>	<b>\$1,222,500</b>	
<b>Department</b>	<b>Waste, Abuse and Fraud discovered and eliminated since November 2003</b>	<b>One-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
<b>Office of the Secretary</b>	Strengthened internal controls and revised attendance tracking system.		Estimated \$12,000 from identifying fraudulent or inadvertent omissions of leave taken.	Deterrence to omitting on attendance records leave taken by staff.
	<b>SUBTOTALS (since November 2003)</b>	<b>N/A</b>	<b>\$12,000</b>	
	<b>Present opportunities for elimination of Waste, Abuse and Fraud</b>	<b>Estimated one-time savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Estimated annual savings resulting from elimination of Waste, Abuse and Fraud</b>	<b>Anticipated non-monetary benefits resulting from elimination of Waste, Abuse and Fraud</b>
	N/A	N/A	N/A	N/A
	<b>SUBTOTALS (for present opportunities)</b>	<b>N/A</b>	<b>N/A</b>	
	<b>TOTALS FOR OFFICE OF THE SECRETARY</b>	<b>N/A</b>	<b>\$12,000</b>	

	<b>ALL BTH DEPARTMENT SUBTOTALS SINCE NOVEMBER 2003</b>	<b>\$186,333,514</b>	<b>\$62,940,861</b>	
	<b>ALL BTH DEPARTMENT SUBTOTALS FOR PRESENT OPPORTUNITES</b>	<b>TBD</b>	<b>\$7,711,311</b>	
	<b>GRAND TOTALS FOR ALL BTH DEPARTMENTS</b>	<b>\$186,045,799</b>	<b>\$70,652,172</b>	